

2013 DRAFTING REQUEST**Bill**

Received: **9/23/2013** Received By: **gmalaise**
 Wanted: **As time permits** Same as LRB:
 For: **Kevin Petersen (608) 266-3794** By/Representing: **Jim Bowers**
 May Contact: Drafter: **gmalaise**
 Subject: **Higher Education - financial aid** Addl. Drafters: **mshovers**
Tax, Individual - income
 Extra Copies:

Submit via email: **YES**
 Requester's email: **Rep.Petersen@legis.wisconsin.gov**
 Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Grants for primary care physicians and psychiatrists

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	gmalaise 10/3/2013	jdyer 9/30/2013	jfrantze 9/30/2013	_____	lparisi 9/30/2013		State Tax
/P2	gmalaise 10/7/2013	jdyer 10/3/2013	rschluet 10/3/2013	_____	lparisi 10/3/2013		State Tax
/1	gmalaise 10/9/2013	jdyer 10/7/2013	jfrantze 10/7/2013	_____	lparisi 10/7/2013	mbarman 10/9/2013	State Tax
/2		jdyer	jfrantze	_____	sbasford	sbasford	State

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
		10/10/2013	10/10/2013	_____	10/10/2013	10/10/2013	Tax

FE Sent For:

at
intro.

<END>

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2 10/10 jld 10/10 R3

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For:	Erik Severson (608) 267-2365	By/Representing:	AJ Scholz
May Contact:		Drafter:	gmalaise
Subject:	Higher Education - financial aid Tax, Individual - income	Addl. Drafters:	mshovers
		Extra Copies:	

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Wanted: As time permits

Same as LRB:

For: Erik Severson (608) 267-2365

By/Representing: AJ Scholz

May Contact:

Drafter: gmalaise

Subject: Higher Education - financial aid
Tax, Individual - income

Addl. Drafters: mshovers

Extra Copies:

Submit via email: YES

Requester's email: Rep.Severson@legis.wisconsin.gov

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Handwritten notes:
 P2 10/3 jld
 10/23/13 ENDJR

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/P1	gmalaise	P1 9/30 jld		to 9/30			

FE Sent For:

<END>

Malaise, Gordon

From: Shovers, Marc
Sent: Monday, September 23, 2013 10:01 AM
To: Malaise, Gordon
Subject: FW: LRB 0034

Hi Gordon:

Do you still do HEAB? If so, I think you should take the lead on this request. Is that OK? I'll create the tax exemption once you create the program, but it looks like it's mostly a Higher Ed. request. Thanks.

Marc

From: Scholz, AJ
Sent: Monday, September 23, 2013 9:03 AM
To: Shovers, Marc
Subject: RE: LRB 0034

Hello Marc,

Thanks for your help. The program would actually be administered by the Wisconsin Higher Education Aids Board (HEAB). Feel free to let me know if you have any follow-up questions.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol

From: Shovers, Marc
Sent: Friday, September 20, 2013 4:14 PM
To: Scholz, AJ
Subject: RE: LRB 0034

Hi AJ:

I was just looking at this request, and I think another attorney will need to be involved. I'll draft the part that exempts from taxation the grant payments, but someone else will have to create the grant program. Who will award the grants? DOA? The Department of Health Services? Did you have a different agency in mind?

Once I know who you'd like to award the grants, I'll know which of my colleagues should draft the grant program and, once that is done, I'll be able to draft the tax part of the draft. Thanks.

Marc

Marc Shovers
Managing Attorney
Legislative Reference Bureau
608-266-0129
marc.shovers@legis.wisconsin.gov

From: Scholz, AJ
Sent: Tuesday, September 10, 2013 4:05 PM
To: Shovers, Marc
Subject: LRB 0034

Hello Marc,

A while back you put together a bill for us relating to physician assistance program, LRB 0034. We have been working to modify the program and have come up with the following. I think it might be easier to simply start with a new draft, but since you did the last one for us I figured this would be the best place to start.

SUMMARY OF PROGRAM

- ✓ The Primary Care & Psychiatry Shortage Grant Program encourages primary care physicians and psychiatrists to locate in medically underserved areas of the state by providing service-based financial assistance to Wisconsin residents who have graduated from a Wisconsin medical school and completed a medical residency training program (with a primary care or psychiatry emphasis) in Wisconsin. After meeting these eligibility criteria, physicians may begin claiming the financial assistance if they then go on to practice primary care medicine or psychiatry in a medically underserved area of the state.
- ✓ For the purposes of eligibility, students must have established residency in the state prior to entering a medical school located in Wisconsin (currently either MCW or UWSMPH). This residency requirement mirrors the UW's residency requirements establishing in-state vs. out-of-state tuition rates (s. 36.27(2)), or the formula used to provide Capitation funding to in-state MCW students. (W)
- ✓ Participants must sign up for the program prior to accepting an employment offer within a designated health shortage area in Wisconsin and may enroll (but may not receive grant payments) while still participating in an eligible GME training program. These GME programs include: Family Medicine; Internal Medicine; Pediatrics; Psychiatry; and General Surgery. Qualifying GME programs may be geographically located anywhere in the state.
- ✓ Following completion of a qualifying GME program, participants must begin practicing primary care medicine or psychiatry within a medically underserved area of the state. Primary care practice is defined as the following Medical Examining Board licensure codes: Family Medicine; Pediatrics; Internal Medicine; and General Surgery. The practice of psychiatry includes the following codes: Psychiatry & Child Psychiatry. Medically underserved areas are defined as Health Professional Shortage Areas (HPSA's); Medically Underserved Areas/Populations (MUA/MUP); and Governor's Designation of Shortage Areas for Rural Health Clinics.
- ✓ Annual grant payments are made directly to participants and are unrestricted (i.e., they are not required to be used toward loan repayment). Eligibility is lost if a participant leaves the shortage area or begins practicing within a non-qualifying subspecialty. There is no repayment penalty for leaving the program early, as payments are based on

- previously completed service. The program will be administered by the Wisconsin Higher Educational Aids Board (HEAB). Rule-making authority is provided to administer, track & enforce the program.
- ✓ The program is funded with a one time, \$2million appropriation, of which, \$1million would be used for grants directed to primary care physicians and \$1 million directed to psychiatrists. Limit the number of participants to 17 primary care physicians and 17 psychiatrists (34 physicians overall) that may receive annual grant payments over a three year period. Prioritize assistance to eligible physicians in conjunction with the order of applications received and with the shortage area's HPSA score (which reflects an area's overall medical need).
- ✓ The program will begin providing assistance to participants who complete GME training programs in calendar years 2014 and beyond. The grants assistance is exempt from Wisconsin income tax. — M E S

Please feel free to contact me with any questions. This legislation will likely be part of the Speaker's Task Force on Mental Health, so if you could get it back to us as quickly as possible, that would be greatly appreciated. Thanks for your help.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol

Malaise, Gordon

From: Shovers, Marc
Sent: Friday, September 27, 2013 12:56 PM
To: Malaise, Gordon
Subject: FW: LRB 0034

Hi Gordon:

I think this change affects your part.

Marc

From: Scholz, AJ
Sent: Friday, September 27, 2013 11:38 AM
To: Shovers, Marc
Cc: Hanus, Andrew
Subject: RE: LRB 0034

Hello Marc,

I needed to make one change to the drafting instructions that I sent to you about the Primary Care and Psychiatry Shortage Grant Program. In the initial request, we required that the person be a resident of Wisconsin prior to entering medical school. We would like to remove that requirement. Thank you for your help on this program, I really appreciate it.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol

From: Shovers, Marc
Sent: Friday, September 20, 2013 4:14 PM
To: Scholz, AJ
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Once I know who you'd like to award the grants, I'll know which of my colleagues should draft the grant program and, once that is done, I'll be able to draft the tax part of the draft. Thanks.

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For the purposes of eligibility, students must have established residency in the state prior to entering a medical school located in Wisconsin (currently either MCW or UWSMPH). This residency requirement mirrors the UW's residency requirements establishing in-state vs. out-of-state tuition rates (s. 36.27(2)), or the formula used to provide Capitation funding to in-state MCW students.

Participants must sign up for the program prior to accepting an employment offer within a designated health shortage area in Wisconsin and may enroll (but may not receive grant payments) while still participating in an eligible GME training program. These GME programs include: Family Medicine; Internal Medicine; Pediatrics; Psychiatry; and General Surgery. Qualifying GME programs may be geographically located anywhere in the state.

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Annual grant payments are made directly to participants and are unrestricted (i.e., they are not required to be used toward loan repayment). Eligibility is lost if a participant leaves the shortage area or begins practicing within a non-qualifying subspecialty. There is no repayment penalty for leaving the program early, as payments are based on previously completed service. The program will be administered by the Wisconsin Higher Educational Aids Board (HEAB). Rule-making authority is provided to administer, track & enforce the program.

The program is funded with a one time, \$2million appropriation, of which, \$1million would be used for grants directed to primary care physicians and \$1 million directed to psychiatrists. Limit the number of participants to 17 primary care physicians and 17 psychiatrists (34 physicians overall) that may receive annual grant payments over a three year period. Prioritize assistance to eligible physicians in conjunction with the order of applications received and with the shortage area's HPSA score (which reflects an area's overall medical need).

The program will begin providing assistance to participants who complete GME training programs in calendar years 2014 and beyond. The grants assistance is exempt from Wisconsin income tax.

Please feel free to contact me with any questions. This legislation will likely be part of the Speaker's Task Force on Mental Health, so if you could get it back to us as quickly as possible, that would be greatly appreciated. Thanks for your help.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3228/P1
GMM&MES

jld
PMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SOON

gmm

4

- 1 AN ACT ...; relating to: creation of a primary care and psychiatry shortage grant
- 2 program, exempting from taxation amounts received from such a grant
- 3 program, granting rule-making authority, and making an appropriation.✓

Analysis by the Legislative Reference Bureau

Under current law, the Board of Regents of the University of Wisconsin System administers a physician loan assistance program under which that board may repay up to \$50,000✓in educational loans made to a physician specializing in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry who agrees to practice in a primary care shortage area, as determined by the federal Department of Health and Human Services (DHHS)✓in this state and up to \$100,000✓in educational loans made to such a physician who agrees to practice in a rural area in this state.

This bill establishes, under the administration of the Higher Educational Aids Board (HEAB)✓, a primary care and psychiatry shortage grant program (grant program)✓to encourage primary care physicians and psychiatrists to practice primary care medicine or psychiatry in underserved areas in this state. A physician or psychiatrist is eligible to participate in the✓program if he or she meets all of the following requirements: grant

1. He or she practices primary care medicine or psychiatry, including child psychiatry (psychiatry), in an underserved area in this state.✓ The bill defines "primary care medicine" as any of the following medical specialties: 1) family practice; 2) internal medicine; 3) pediatrics; or 4) general surgery.✓ The bill defines an "underserved area" as a health professional shortage area certified by DHHS, a

*

health service shortage area designated by the governor and certified by the secretary of health and human services, or a medically underserved area, as defined in regulations promulgated by DHHS.✓

2. He or she graduated from a school of medicine located in this state and from a graduate medical education training program in this state with an emphasis on primary care medicine or psychiatry (GME training program).✓

The bill appropriates \$2,000,000 in fiscal year 2014-15 for the grant program and requires HEAB to allocate not more than \$1,000,000 in each fiscal year for financial assistance to physicians and not more than \$1,000,000 in each fiscal year for financial assistance to psychiatrists.✓ The bill permits HEAB to grant financial assistance under the grant program to no more than 17 physicians and no more than 17 psychiatrists in a fiscal year and provides that, if more than 17 physicians or more than 17 psychiatrists apply for participation in the grant program in a fiscal year, HEAB must consider the order in which those applications are received and the health professional shortage area score, as determined by the Health Resources and Services Administration of DHHS, of the underserved area in which the applicant is practicing primary care medicine or psychiatry in selecting participants in the grant program. In addition, the bill provides that an individual physician or psychiatrist may receive financial assistance under the grant program in no more than 3 fiscal years.✓

To participate in the grant program, a physician or psychiatrist may apply to HEAB while he or she is participating in a GME training program, but must apply to HEAB no later than the date on which he or she accepts employment or any other affiliation as a primary care physician or psychiatrist in an underserved area in this state.

To receive a payment of financial assistance under the grant program, a physician or psychiatrist who has been accepted for participation in the grant program must submit a claim to HEAB that includes: 1) the signature of the physician or psychiatrist and of a representative of the practice in which the physician or psychiatrist is employed or otherwise affiliated certifying that during the period for which financial assistance is claimed the physician or psychiatrist practiced primary care medicine or psychiatry in an underserved area in this state; and 2) such other information as HEAB may require by rule to verify the eligibility of the physician or psychiatrist for financial assistance.✓

Under the bill, any amount of financial assistance received under the grant program by a physician or psychiatrist is exempt from taxation.✓

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2013-14 2014-15

20.235 Higher educational aids board

(1) STUDENT SUPPORT ACTIVITIES ✓

(fp) Primary care and psychiatry

shortage grant program ✓ GPR B -0- 2,000,000

SECTION 2. 20.235 (1) (fp) of the statutes is created to read: ✕

20.235 (1) (fp) ✓ *Primary care and psychiatry shortage grant program.*

Biennially, the amounts in the schedule for the primary care and psychiatry shortage grant program under s. 39.385. ✓

SECTION 3. 39.385 ✕ of the statutes is created to read:

✓ **39.385 Primary care and psychiatry shortage grant program. (1)**

DEFINITIONS. ✓ In this section: ✓

(a) "Graduate medical education training program" ✓ means any of the following:

1. A program of education in a medical specialty ✓ following the completion of
medical school that prepares a physician for the independent practice of medicine in
that specialty. ✓

2. A program of education in a medical subspecialty following the completion
of education in a medical specialty that prepares a physician for the independent
practice of medicine in that subspecialty. ✓

(b) "Grant program" ✓ means the primary care and psychiatry shortage grant
program under this section. ✓

1 (c) "Health professional shortage area" has the meaning given in s. 36.60 (1)
2 (aj).

3 (d) "Health service shortage area" means an area designated by the governor
4 and certified by the federal secretary of health and human services under 42 USC
5 1395x as an area with a shortage of personal health services.

6 (e) "Medically underserved area" has the meaning given in 42 CFR Part 51c,
7 section 102 (e).

8 (f) "Primary care medicine" means any of the following medical specialities:

9 1. Family practice.

10 2. Internal medicine.

11 3. Pediatrics.

12 4. General surgery.

13 (g) "Psychiatry" includes child psychiatry.

14 (h) "Underserved area" means a health professional shortage area, a health
15 service shortage area, or a medically underserved area.

16 (2) ESTABLISHMENT OF PROGRAM. There is established, to be administered by the
17 board, a primary care and psychiatry shortage grant program to encourage primary
18 care physicians and psychiatrists who meet the eligibility requirements specified in
19 sub. (3) to practice primary care medicine and psychiatry in underserved areas in
20 this state by providing grants of financial assistance to those physicians and
21 psychiatrists as provided in sub. (4).

22 (3) ELIGIBILITY. A physician or psychiatrist is eligible for financial assistance
23 as provided under sub. (4) if the physician or psychiatrist meets all of the following
24 requirements:

1 (a) He or she practices primary care medicine or psychiatry in an underserved
2 area in this state.✓

3 (b) He or she graduated from a school of medicine located in this state and from
4 a graduate medical education training program✓ in this state with an emphasis on
5 primary care medicine or psychiatry.

6 (c) He or she does not appear on the statewide✓ support lien docket under s.
7 49.854 (2) (b),✓ unless the physician provides to the board✓ a payment agreement that
8 has been approved by the county child support agency under s. 59.53 (5) and that is
9 consistent with rules promulgated under s. 49.858 (2) (a).✓

10 (4) FINANCIAL ASSISTANCE.✓ (a) 1. From the appropriation account under s.
11 20.235 (1) (fp),✓ the board shall grant financial assistance to physicians and
12 psychiatrists who meet the eligibility requirements specified in sub. (3),✓ who apply
13 for participation in the grant program as provided in par. (b),✓ and who submit claims
14 for that financial assistance as provided in par. (c).✓ From that appropriation account,
15 the board shall allocate not more than \$1,000,000✓ in each fiscal year for financial
16 assistance under the grant program to physicians and not more than \$1,000,000 in
17 each fiscal year for financial assistance under the grant program to psychiatrists.✓

18 2. The board may grant financial assistance under the grant program to no
19 more than 17✓ physicians and no more than 17✓ psychiatrists in a fiscal year. If more
20 than 17 physicians or more than 17 psychiatrists apply for participation in the grant
21 program in a fiscal year, the board shall consider the order in which those
22 applications are received and the health professional shortage area score, as
23 determined by the health resources and services administration✓ of the federal
24 department of health and human services,✓ of the underserved area in which the

1 applicant is practicing primary care medicine or psychiatry in selecting participants
2 in the grant program.

3 3. An individual physician or psychiatrist may receive financial assistance
4 under the grant program in no more than 3[✓] fiscal years.

5 (b) A physician or psychiatrist may apply for participation in the grant program
6 by submitting an application to the board in a form prescribed by the board.[✓] A
7 physician or psychiatrist may submit that application while the physician or
8 psychiatrist is participating in a graduate medical education training program
9 described in sub. (3) (b),[✓] but must submit that application before accepting
10 employment or any other affiliation as a primary care physician or psychiatrist in
11 an underserved area in this state.[✓] The application shall include such information
12 as the board may require to establish that the physician or psychiatrist meets the
13 eligibility requirements specified in sub. (3)[✓] for participation in the grant program
14 and any other information the board may require by rule promulgated under[✓] sub. (5).

15 (c) After each year in which a physician or psychiatrist[✓] who has been accepted
16 for participation in the grant program practices primary care medicine or psychiatry
17 in an underserved area in this state, the physician or psychiatrist[✓] may submit to the
18 board a claim for financial assistance.[✓] The claim shall include the signature of the
19 physician or psychiatrist and of a representative of the practice in which the
20 physician or psychiatrist is employed or otherwise affiliated certifying that during
21 the period for which financial assistance is claimed the physician or psychiatrist
22 practiced primary care medicine or psychiatry in an underserved area in this state
23 and such other information as the board may require by rule promulgated under sub.
24 (5)[✓] to verify the physician's[✓] eligibility for tuition assistance.

or psychiatrist's

1 (d) Except as provided in this paragraph, if the board determines that a
2 physician or psychiatrist who submits a claim for financial assistance under par. (c)
3 is eligible to receive that assistance, the board shall provide that assistance, subject
4 to the amounts available in the appropriation account under s. 20.235 (1) (fp). If the
5 amount of financial assistance applied for in a fiscal year exceeds the amount
6 available in that appropriation account, the board shall prorate the financial
7 assistance paid in that fiscal year in the proportion that the amounts available bear
8 to the total amount of financial assistance payable in that fiscal year.

9 (5) RULES. The board shall promulgate rules to implement and administer this
10 section. Those rules shall include rules specifying the information a physician or
11 psychiatrist must include in an application for participation in the grant program
12 under sub. (4) (b) and in a claim for financial assistance under sub (4) (c).

13 **SECTION 4.** 71.05 (6) (b) 51. of the statutes is created to read:

14 71.05 (6) (b) 51. For taxable years beginning after December 31, 2013, any
15 amount received by a physician or psychiatrist, in the taxable year to which the
16 subtraction relates, from the primary care and psychiatry shortage grant program
17 under s. 38.385.

18 **SECTION 5. Initial applicability.**

19 (1) PRIMARY CARE PHYSICIAN TUITION ASSISTANCE PROGRAM. This act first applies
20 to a physician or psychiatrist who graduates from a graduate medical education
21 training program in this state with an emphasis on primary care medicine or
22 psychiatry in 2014.

23 (END)

Malaise, Gordon

From: Scholz, AJ
Sent: Thursday, October 03, 2013 9:12 AM
To: Shovers, Marc; Malaise, Gordon
Cc: Hanus, Andrew
Subject: LRB 3228/P1

Hello Marc and Gordon,

I had a few questions about the preliminary draft of LRB 3228 that you put together for us.

- 1) The first paragraph of the analysis seems to be confusing as we are not altering any of the programs described in that paragraph. I understand that they are similar programs, but Rep Severson would prefer to avoid any confusion by deleting that first paragraph since we are not in any way altering those programs. Would that be possible?]
- 2) On page 7, line 7-11 it states "if the amount of financial assistance applied for in a fiscal years exceeds the amount available in that appropriation account, the board shall prorate the financial assistance paid in that fiscal year in the proportion that the amounts available bear to the total amount of financial assistance payable in that fiscal year. Since the bill limits the total funding and number of eligible physicians and psychiatrists we were curious if this provision was even necessary. *OK - delete*
- 3) I just wanted to confirm that since the \$2 million is a biennial appropriation any balance at the end of fiscal year 2014-15 would not revert to the general fund. Is that correct? *- No ∴ change to continuing*

Thank you both for all your help on this.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol

Malaise, Gordon

From: Malaise, Gordon
Sent: Thursday, October 03, 2013 11:45 AM
To: Scholz, AJ; Shovers, Marc
Cc: Hanus, Andrew
Subject: RE: LRB 3228/P1

AJ:

Good points:

1. I'll redraft the first paragraph of the Analysis to read: "Under current law, HEAB administers various student financial aid programs, including programs to assist students preparing for certain health care professions such as nursing and dentistry." That way the description of relevant current law in the analysis will provide context for the primary care and psychiatry grant program under the bill, i.e., HEAB already administers certain healthcare-related programs, so this new program is not completely out of the blue.
2. Agreed. HEAB will not need to prorate the grants because the number is limited to 17 physicians and 17 psychiatrists. So \$2M (less administrative expenses) divided by 34 yields the grant amounts.
3. Actually, a biennial appropriation does lapse to the general fund at the end of the 2nd year of a state fiscal biennium. It sounds like you do not want that to happen. Accordingly, I'll change the appropriation to a continuing appropriation, which carries over year after year.

Gordon

From: Scholz, AJ
Sent: Thursday, October 03, 2013 9:12 AM
To: Shovers, Marc; Malaise, Gordon
Cc: Hanus, Andrew
Subject: LRB 3228/P1

Hello Marc and Gordon,

I had a few questions about the preliminary draft of LRB 3228 that you put together for us.

- 1) The first paragraph of the analysis seems to be confusing as we are not altering any of the programs described in that paragraph. I understand that they are similar programs, but Rep Severson would prefer to avoid any confusion by deleting that first paragraph since we are not in any way altering those programs. Would that be possible?]
- 2) On page 7, line 7-11 it states "if the amount of financial assistance applied for in a fiscal years exceeds the amount available in that appropriation account, the board shall prorate the financial assistance paid in that fiscal year in the proportion that the amounts available bear to the total amount of financial assistance payable in that fiscal year. Since the bill limits the total funding and number of eligible physicians and psychiatrists we were curious if this provision was even necessary.
- 3) I just wanted to confirm that since the \$2 million is a biennial appropriation any balance at the end of fiscal year 2014-15 would not revert to the general fund. Is that correct?

Thank you both for all your help on this.

Sincerely,

AJ Scholz

Office of Representative Erik Severson

608-267-2365

221 North, State Capitol



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3228/PT
GMM&MES:jld:jf

P2
NR

IN 10/3
50m

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

✓

Under current law, the Higher Educational Aids Board (HEAB) administers various student financial aid programs, including programs to assist students preparing for certain health care professions, such as nursing and dentistry.

Regen

- ✓
- 1 AN ACT to create 20.235 (1) (fp), 39.385 and 71.05 (6) (b) 51. of the statutes;
2 relating to: creation of a primary care and psychiatry shortage grant program,
3 exempting from taxation amounts received from such a grant program,
4 granting rule-making authority, and making an appropriation. ✓

Analysis by the Legislative Reference Bureau

~~Under current law, the Board of Regents of the University of Wisconsin System administers a physician loan assistance program under which that board may repay up to \$50,000 in educational loans made to a physician specializing in family practice, general internal medicine, general pediatrics, obstetrics and gynecology, or psychiatry who agrees to practice in a primary care shortage area, as determined by the federal Department of Health and Human Services (DHHS), in this state and up to \$100,000 in educational loans made to such a physician who agrees to practice in a rural area in this state.~~

This bill establishes, under the administration of the Higher Educational Aids Board (HEAB), a primary care and psychiatry shortage grant program (grant program) to encourage primary care physicians and psychiatrists to practice primary care medicine or psychiatry in underserved areas in this state. A physician or psychiatrist is eligible to participate in the grant program if he or she meets all of the following requirements:

1. He or she practices primary care medicine or psychiatry, including child psychiatry (psychiatry), in an underserved area in this state. The bill defines "primary care medicine" as any of the following medical specialties: 1) family

practice; 2) internal medicine; 3) pediatrics; or 4) general surgery. The bill defines an "underserved area" as a health professional shortage area certified by DHHS, a health service shortage area designated by the governor and certified by the secretary of health and human services, or a medically underserved area, as defined in regulations promulgated by DHHS.

2. He or she graduated from a school of medicine located in this state and from a graduate medical education training program in this state with an emphasis on primary care medicine or psychiatry (GME training program).

The bill appropriates \$2,000,000 in fiscal year 2014-15 for the grant program and requires HEAB to allocate not more than \$1,000,000 in each fiscal year for financial assistance to physicians and not more than \$1,000,000 in each fiscal year for financial assistance to psychiatrists. The bill permits HEAB to grant financial assistance under the grant program to no more than 17 physicians and no more than 17 psychiatrists in a fiscal year and provides that, if more than 17 physicians or more than 17 psychiatrists apply for participation in the grant program in a fiscal year, HEAB must consider the order in which those applications are received and the health professional shortage area score, as determined by the Health Resources and Services Administration of DHHS, of the underserved area in which the applicant is practicing primary care medicine or psychiatry in selecting participants in the grant program. In addition, the bill provides that an individual physician or psychiatrist may receive financial assistance under the grant program in no more than three fiscal years.

To participate in the grant program, a physician or psychiatrist may apply to HEAB while he or she is participating in a GME training program, but must apply to HEAB no later than the date on which he or she accepts employment or any other affiliation as a primary care physician or psychiatrist in an underserved area in this state.

To receive a payment of financial assistance under the grant program, a physician or psychiatrist who has been accepted for participation in the grant program must submit a claim to HEAB that includes: 1) the signature of the physician or psychiatrist and of a representative of the practice in which the physician or psychiatrist is employed or otherwise affiliated certifying that during the period for which financial assistance is claimed the physician or psychiatrist practiced primary care medicine or psychiatry in an underserved area in this state; and 2) such other information as HEAB may require by rule to verify the eligibility of the physician or psychiatrist for financial assistance.

Under the bill, any amount of financial assistance received under the grant program by a physician or psychiatrist is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

		2013-14	2014-15
As a continuing appropriation ✓			
20.235 Higher educational aids board			

(1) STUDENT SUPPORT ACTIVITIES

(fp) Primary care and psychiatry

shortage grant program

GPR

-0-

2,000,000

SECTION 2. 20.235 (1) (fp) of the statutes is created to read:

20.235 (1) (fp) *Primary care and psychiatry shortage grant program.*

~~Meaning~~ the amounts in the schedule for the primary care and psychiatry shortage grant program under s. 39.385. ✓

SECTION 3. 39.385 of the statutes is created to read:

39.385 Primary care and psychiatry shortage grant program. (1)

DEFINITIONS. In this section:

(a) "Graduate medical education training program" means any of the following:

1. A program of education in a medical speciality following the completion of medical school that prepares a physician for the independent practice of medicine in that speciality.

1 2. A program of education in a medical subspecialty following the completion
2 of education in a medical speciality that prepares a physician for the independent
3 practice of medicine in that subspecialty.

4 (b) “Grant program” means the primary care and psychiatry shortage grant
5 program under this section.

6 (c) “Health professional shortage area” has the meaning given in s. 36.60 (1)
7 (aj).

8 (d) “Health service shortage area” means an area designated by the governor
9 and certified by the federal secretary of health and human services under 42 USC
10 1395x as an area with a shortage of personal health services.

11 (e) “Medically underserved area” has the meaning given in 42 CFR Part 51c,
12 section 102 (e).

13 (f) “Primary care medicine” means any of the following medical specialties:

- 14 1. Family practice.
- 15 2. Internal medicine.
- 16 3. Pediatrics.
- 17 4. General surgery.

18 (g) “Psychiatry” includes child psychiatry.

19 (h) “Underserved area” means a health professional shortage area, a health
20 service shortage area, or a medically underserved area.

21 (2) ESTABLISHMENT OF PROGRAM. There is established, to be administered by the
22 board, a primary care and psychiatry shortage grant program to encourage primary
23 care physicians and psychiatrists who meet the eligibility requirements specified in
24 sub. (3) to practice primary care medicine and psychiatry in underserved areas in

1 this state by providing grants of financial assistance to those physicians and
2 psychiatrists as provided in sub. (4).

3 (3) ELIGIBILITY. A physician or psychiatrist is eligible for financial assistance
4 as provided under sub. (4) if the physician or psychiatrist meets all of the following
5 requirements:

6 (a) He or she practices primary care medicine or psychiatry in an underserved
7 area in this state.

8 (b) He or she graduated from a school of medicine located in this state and from
9 a graduate medical education training program in this state with an emphasis on
10 primary care medicine or psychiatry.

11 (c) He or she does not appear on the statewide support lien docket under s.
12 49.854 (2) (b), unless the physician provides to the board a payment agreement that
13 has been approved by the county child support agency under s. 59.53 (5) and that is
14 consistent with rules promulgated under s. 49.858 (2) (a).

15 (4) FINANCIAL ASSISTANCE. (a) 1. From the appropriation account under s.
16 20.235 (1) (fp), the board shall grant financial assistance to physicians and
17 psychiatrists who meet the eligibility requirements specified in sub. (3), who apply
18 for participation in the grant program as provided in par. (b), and who submit claims
19 for that financial assistance as provided in par. (c). From s. 20.235 (1) (fp), the board
20 shall allocate not more than \$1,000,000 in each fiscal year for financial assistance
21 under the grant program to physicians and not more than \$1,000,000 in each fiscal
22 year for financial assistance under the grant program to psychiatrists.

23 2. The board may grant financial assistance under the grant program to no
24 more than 17 physicians and no more than 17 psychiatrists in a fiscal year. If more
25 than 17 physicians or more than 17 psychiatrists apply for participation in the grant

SECTION 3

1 program in a fiscal year, the board shall consider the order in which those
2 applications are received and the health professional shortage area score, as
3 determined by the health resources and services administration of the federal
4 department of health and human services, of the underserved area in which the
5 applicant is practicing primary care medicine or psychiatry in selecting participants
6 in the grant program.

7 3. An individual physician or psychiatrist may receive financial assistance
8 under the grant program in no more than 3 fiscal years.

9 (b) A physician or psychiatrist may apply for participation in the grant program
10 by submitting an application to the board in a form prescribed by the board. A
11 physician or psychiatrist may submit that application while the physician or
12 psychiatrist is participating in a graduate medical education training program
13 described in sub. (3) (b), but must submit that application before accepting
14 employment or any other affiliation as a primary care physician or psychiatrist in
15 an underserved area in this state. The application shall include such information
16 as the board may require to establish that the physician or psychiatrist meets the
17 eligibility requirements specified in sub. (3) for participation in the grant program
18 and any other information the board may require by rule promulgated under sub. (5).

19 (c) After each year in which a physician or psychiatrist who has been accepted
20 for participation in the grant program practices primary care medicine or psychiatry
21 in an underserved area in this state, the physician or psychiatrist may submit to the
22 board a claim for financial assistance. The claim shall include the signature of the
23 physician or psychiatrist and of a representative of the practice in which the
24 physician or psychiatrist is employed or otherwise affiliated certifying that during
25 the period for which financial assistance is claimed the physician or psychiatrist

practiced primary care medicine or psychiatry in an underserved area in this state and such other information as the board may require by rule promulgated under sub. (5) to verify the physician's or psychiatrist's eligibility for tuition assistance.

(d) ~~Except as provided in this paragraph,~~ if the board determines that a physician or psychiatrist who submits a claim for financial assistance under par. (c) is eligible to receive that assistance, the board shall provide that assistance, subject to the amounts available in the appropriation account under s. 20.235 (1) (fp). ~~If the~~

~~amount of financial assistance applied for in a fiscal year exceeds the amount available in that appropriation account, the board shall prorate the financial assistance paid in that fiscal year in the proportion that the amounts available bear to the total amount of financial assistance payable in that fiscal year.~~

(5) RULES. The board shall promulgate rules to implement and administer this section. Those rules shall include rules specifying the information a physician or psychiatrist must include in an application for participation in the grant program under sub. (4) (b) and in a claim for financial assistance under sub (4) (c).

SECTION 4. 71.05 (6) (b) 51. of the statutes is created to read:

71.05 (6) (b) 51. For taxable years beginning after December 31, 2013, any amount received by a physician or psychiatrist, in the taxable year to which the subtraction relates, from the primary care and psychiatry shortage grant program under s. 39.385.

SECTION 5. Initial applicability.

(1) PRIMARY CARE PHYSICIAN TUITION ASSISTANCE PROGRAM. This act first applies to a physician or psychiatrist who graduates from a graduate medical education

SECTION 5

1 training program in this state with an emphasis on primary care medicine or
2 psychiatry in 2014.

3 (END)

Malaise, Gordon

From: Scholz, AJ
Sent: Monday, October 07, 2013 11:28 AM
To: Shovers, Marc; Malaise, Gordon
Subject: LRB 3228/P2

Hello Marc and Gordon,

Took a look at the LRB 3228/P2 and everything looks good to go. Please put together an introducible form.

Thank you for the quick turnaround on this proposal.

Sincerely,

AJ Scholz

Office of Representative Erik Severson
608-267-2365
221 North, State Capitol



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3228/22
GMM&MES:jld:rs

1

IN 1017
convert to 11
Today

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

2013 BILL

✓

Reger

- 1 AN ACT *to create* 20.235 (1) (fp), 39.385 and 71.05 (6) (b) 51. of the statutes;
2 relating to: creation of a primary care and psychiatry shortage grant program,
3 exempting from taxation amounts received from such a grant program,
4 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers various student financial aid programs, including programs to assist students preparing for certain health care professions, such as nursing and dentistry.

This bill establishes, under the administration of HEAB, a primary care and psychiatry shortage grant program (grant program) to encourage primary care physicians and psychiatrists to practice primary care medicine or psychiatry in underserved areas in this state. A physician or psychiatrist is eligible to participate in the grant program if he or she meets all of the following requirements:

1. He or she practices primary care medicine or psychiatry, including child psychiatry (psychiatry), in an underserved area in this state. The bill defines "primary care medicine" as any of the following medical specialties: 1) family practice; 2) internal medicine; 3) pediatrics; or 4) general surgery. The bill defines an "underserved area" as a health professional shortage area certified by DHHS, a health service shortage area designated by the governor and certified by the secretary of health and human services, or a medically underserved area, as defined in regulations promulgated by DHHS.

2. He or she graduated from a school of medicine located in this state and from a graduate medical education training program in this state with an emphasis on primary care medicine or psychiatry (GME training program).

The bill appropriates \$2,000,000 in fiscal year 2014–15 for the grant program and requires HEAB to allocate not more than \$1,000,000 in each fiscal year for financial assistance to physicians and not more than \$1,000,000 in each fiscal year for financial assistance to psychiatrists. The bill permits HEAB to grant financial assistance under the grant program to no more than 17 physicians and no more than 17 psychiatrists in a fiscal year and provides that, if more than 17 physicians or more than 17 psychiatrists apply for participation in the grant program in a fiscal year, HEAB must consider the order in which those applications are received and the health professional shortage area score, as determined by the Health Resources and Services Administration of DHHS, of the underserved area in which the applicant is practicing primary care medicine or psychiatry in selecting participants in the grant program. In addition, the bill provides that an individual physician or psychiatrist may receive financial assistance under the grant program in no more than three fiscal years.

To participate in the grant program, a physician or psychiatrist may apply to HEAB while he or she is participating in a GME training program, but must apply to HEAB no later than the date on which he or she accepts employment or any other affiliation as a primary care physician or psychiatrist in an underserved area in this state.

To receive a payment of financial assistance under the grant program, a physician or psychiatrist who has been accepted for participation in the grant program must submit a claim to HEAB that includes: 1) the signature of the physician or psychiatrist and of a representative of the practice in which the physician or psychiatrist is employed or otherwise affiliated certifying that during the period for which financial assistance is claimed the physician or psychiatrist practiced primary care medicine or psychiatry in an underserved area in this state; and 2) such other information as HEAB may require by rule to verify the eligibility of the physician or psychiatrist for financial assistance.

Under the bill, any amount of financial assistance received under the grant program by a physician or psychiatrist is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

	2013-14	2014-15
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20.235 Higher educational aids board

(1) STUDENT SUPPORT ACTIVITIES

(fp) Primary care and psychiatry

shortage grant program	GPR	C	-0-	2,000,000
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SECTION 2. 20.235 (1) (fp) of the statutes is created to read:

20.235 (1) (fp) *Primary care and psychiatry shortage grant program.* As a continuing appropriation, the amounts in the schedule for the primary care and psychiatry shortage grant program under s. 39.385.

SECTION 3. 39.385 of the statutes is created to read:

39.385 Primary care and psychiatry shortage grant program. (1)

DEFINITIONS. In this section:

(a) “Graduate medical education training program” means any of the following:

1. A program of education in a medical specialty following the completion of medical school that prepares a physician for the independent practice of medicine in that specialty.

2. A program of education in a medical subspecialty following the completion of education in a medical specialty that prepares a physician for the independent practice of medicine in that subspecialty.

(b) “Grant program” means the primary care and psychiatry shortage grant program under this section.

1 (c) "Health professional shortage area" has the meaning given in s. 36.60 (1)
2 (aj).

3 (d) "Health service shortage area" means an area designated by the governor
4 and certified by the federal secretary of health and human services under 42 USC
5 1395x as an area with a shortage of personal health services.

6 (e) "Medically underserved area" has the meaning given in 42 CFR Part 51c,
7 section 102 (e).

8 (f) "Primary care medicine" means any of the following medical specialties:

- 9 1. Family practice.
- 10 2. Internal medicine.
- 11 3. Pediatrics.
- 12 4. General surgery.

13 (g) "Psychiatry" includes child psychiatry.

14 (h) "Underserved area" means a health professional shortage area, a health
15 service shortage area, or a medically underserved area.

16 (2) ESTABLISHMENT OF PROGRAM. There is established, to be administered by the
17 board, a primary care and psychiatry shortage grant program to encourage primary
18 care physicians and psychiatrists who meet the eligibility requirements specified in
19 sub. (3) to practice primary care medicine and psychiatry in underserved areas in
20 this state by providing grants of financial assistance to those physicians and
21 psychiatrists as provided in sub. (4).

22 (3) ELIGIBILITY. A physician or psychiatrist is eligible for financial assistance
23 as provided under sub. (4) if the physician or psychiatrist meets all of the following
24 requirements:

1 (a) He or she practices primary care medicine or psychiatry in an underserved
2 area in this state.

3 (b) He or she graduated from a school of medicine located in this state and from
4 a graduate medical education training program in this state with an emphasis on
5 primary care medicine or psychiatry.

6 (c) He or she does not appear on the statewide support lien docket under s.
7 49.854 (2) (b), unless the physician provides to the board a payment agreement that
8 has been approved by the county child support agency under s. 59.53 (5) and that is
9 consistent with rules promulgated under s. 49.858 (2) (a).

10 (4) FINANCIAL ASSISTANCE. (a) 1. From the appropriation account under s.
11 20.235 (1) (fp), the board shall grant financial assistance to physicians and
12 psychiatrists who meet the eligibility requirements specified in sub. (3), who apply
13 for participation in the grant program as provided in par. (b), and who submit claims
14 for that financial assistance as provided in par. (c). From s. 20.235 (1) (fp), the board
15 shall allocate not more than \$1,000,000 in each fiscal year for financial assistance
16 under the grant program to physicians and not more than \$1,000,000 in each fiscal
17 year for financial assistance under the grant program to psychiatrists.

18 2. The board may grant financial assistance under the grant program to no
19 more than 17 physicians and no more than 17 psychiatrists in a fiscal year. If more
20 than 17 physicians or more than 17 psychiatrists apply for participation in the grant
21 program in a fiscal year, the board shall consider the order in which those
22 applications are received and the health professional shortage area score, as
23 determined by the health resources and services administration of the federal
24 department of health and human services, of the underserved area in which the

1 applicant is practicing primary care medicine or psychiatry in selecting participants
2 in the grant program.

3 3. An individual physician or psychiatrist may receive financial assistance
4 under the grant program in no more than 3 fiscal years.

5 (b) A physician or psychiatrist may apply for participation in the grant program
6 by submitting an application to the board in a form prescribed by the board. A
7 physician or psychiatrist may submit that application while the physician or
8 psychiatrist is participating in a graduate medical education training program
9 described in sub. (3) (b), but must submit that application before accepting
10 employment or any other affiliation as a primary care physician or psychiatrist in
11 an underserved area in this state. The application shall include such information
12 as the board may require to establish that the physician or psychiatrist meets the
13 eligibility requirements specified in sub. (3) for participation in the grant program
14 and any other information the board may require by rule promulgated under sub. (5).

15 (c) After each year in which a physician or psychiatrist who has been accepted
16 for participation in the grant program practices primary care medicine or psychiatry
17 in an underserved area in this state, the physician or psychiatrist may submit to the
18 board a claim for financial assistance. The claim shall include the signature of the
19 physician or psychiatrist and of a representative of the practice in which the
20 physician or psychiatrist is employed or otherwise affiliated certifying that during
21 the period for which financial assistance is claimed the physician or psychiatrist
22 practiced primary care medicine or psychiatry in an underserved area in this state
23 and such other information as the board may require by rule promulgated under sub.
24 (5) to verify the physician's or psychiatrist's eligibility for tuition assistance.

1 (d) If the board determines that a physician or psychiatrist who submits a claim
2 for financial assistance under par. (c) is eligible to receive that assistance, the board
3 shall provide that assistance, subject to the amounts available in the appropriation
4 account under s. 20.235 (1) (fp).

5 (5) RULES. The board shall promulgate rules to implement and administer this
6 section. Those rules shall include rules specifying the information a physician or
7 psychiatrist must include in an application for participation in the grant program
8 under sub. (4) (b) and in a claim for financial assistance under sub (4) (c).

9 **SECTION 4.** 71.05 (6) (b) 51. of the statutes is created to read:

10 71.05 (6) (b) 51. For taxable years beginning after December 31, 2013, any
11 amount received by a physician or psychiatrist, in the taxable year to which the
12 subtraction relates, from the primary care and psychiatry shortage grant program
13 under s. 39.385.

14 **SECTION 5. Initial applicability.**

15 (1) PRIMARY CARE PHYSICIAN TUITION ASSISTANCE PROGRAM. This act first applies
16 to a physician or psychiatrist who graduates from a graduate medical education
17 training program in this state with an emphasis on primary care medicine or
18 psychiatry in 2014.

19 (END)

Malaise, Gordon

From: Hanus, Andrew
Sent: Tuesday, October 08, 2013 7:23 PM
To: Rep.Petersen; Bowers2, Jim; Malaise, Gordon
Cc: Scholz, AJ
Subject: Bill Draft: Primary Care/Psychiatric Care Grant
Attachments: 13-3228_P2.pdf

Rep. Petersen,

Attached please find the bill draft for the primary care/psychiatric care grant program for underserved areas, as discussed by the mental health task force. In order to ensure we can get this bill on the floor in November, the co-sponsorship will need to go out by Monday, October 14, and close on Friday, October 18. However, please note that the current bill draft appropriates \$2 million in funding, which may need to be reduced to \$1.5 million so that we have enough funding available for the other recommendations from the Task Force. Also, since this is only a P draft, please make sure it fits with your intent, although I think it is understood by everybody involved that some of the mental health task force bills will require modification in committee.

Gordon,

Please give Rep. Petersen and his staff control over the attached bill draft.

Contact me with any questions.

Thanks,

Andrew

Andrew Hanus
Office of Assembly Speaker Vos
211 West, State Capitol
Phone: (608) 266-9171

Malaise, Gordon

From: Bowers2, Jim
Sent: Wednesday, October 09, 2013 9:59 AM
To: Shovers, Marc; Malaise, Gordon
Subject: Drafting

Can we get LRB-3228/P2 Drafted for Representative Petersen as the lead author and Representative Petryk as a co-author?

Jim Bowers
Legislative Assistant
Office of
Representative Kevin Petersen
1-608-266-3794 Office

= Jacket for Rep. Petersen

Malaise, Gordon

From: Bowers2, Jim
Sent: Wednesday, October 09, 2013 3:20 PM
To: Malaise, Gordon
Subject: LRB 3228/1

Please make sure that it is known that this is one time funding.

Jim Bowers
Legislative Assistant
Office of
Representative Kevin Petersen
1-608-266-3794 Office

Decrease appropriation to \$1.5M
and allocations to \$750K/\$750K
Also decrease participants to 12 physicians
+ 12 psychiatrists in each FY



State of Wisconsin
2013-2014 LEGISLATURE



LRB-3228/1
GMM&MES:jld:jf

2
1342

EN 10/9
Wanted 10/10

2013 BILL

✓ Regen

- 1 AN ACT *to create* 20.235 (1) (fp), 39.385 and 71.05 (6) (b) 51. of the statutes;
2 **relating to:** creation of a primary care and psychiatry shortage grant program,
3 exempting from taxation amounts received from such a grant program,
4 granting rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under current law, the Higher Educational Aids Board (HEAB) administers various student financial aid programs, including programs to assist students preparing for certain health care professions, such as nursing and dentistry.

This bill establishes, under the administration of HEAB, a primary care and psychiatry shortage grant program (grant program) to encourage primary care physicians and psychiatrists to practice primary care medicine or psychiatry in underserved areas in this state. A physician or psychiatrist is eligible to participate in the grant program if he or she meets all of the following requirements:

1. He or she practices primary care medicine or psychiatry, including child psychiatry (psychiatry), in an underserved area in this state. The bill defines "primary care medicine" as any of the following medical specialties: 1) family practice; 2) internal medicine; 3) pediatrics; or 4) general surgery. The bill defines an "underserved area" as a health professional shortage area certified by DHHS, a health service shortage area designated by the governor and certified by the secretary of health and human services, or a medically underserved area, as defined in regulations promulgated by DHHS.

ASSEMBLY BILL

as a continuing appropriation\$ 750,000 of that amount

2. He or she graduated from a school of medicine located in this state and from a graduate medical education training program in this state with an emphasis on primary care medicine or psychiatry (GME training program).

The bill appropriates ~~\$2,000,000~~ in fiscal year 2014-15 for the grant program and requires HEAB to allocate not more than ~~\$1,000,000~~ in each fiscal year for financial assistance to physicians and not more than ~~\$1,000,000~~ in each fiscal year for financial assistance to psychiatrists. The bill permits HEAB to grant financial assistance under the grant program to no more than ~~17~~ physicians and no more than ~~17~~ psychiatrists in a fiscal year and provides that, if more than ~~17~~ physicians or more than ~~17~~ psychiatrists apply for participation in the grant program in a fiscal year, HEAB must consider the order in which those applications are received and the health professional shortage area score, as determined by the Health Resources and Services Administration of DHHS, of the underserved area in which the applicant is practicing primary care medicine or psychiatry in selecting participants in the grant program. In addition, the bill provides that an individual physician or psychiatrist may receive financial assistance under the grant program in no more than three fiscal years. 3 and 2) prohibits HEAB from requesting continued funding for

To participate in the grant program, a physician or psychiatrist may apply to HEAB while he or she is participating in a GME training program, but must apply to HEAB no later than the date on which he or she accepts employment or any other affiliation as a primary care physician or psychiatrist in an underserved area in this state.

To receive a payment of financial assistance under the grant program, a physician or psychiatrist who has been accepted for participation in the grant program must submit a claim to HEAB that includes: 1) the signature of the physician or psychiatrist and of a representative of the practice in which the physician or psychiatrist is employed or otherwise affiliated certifying that during the period for which financial assistance is claimed the physician or psychiatrist practiced primary care medicine or psychiatry in an underserved area in this state; and 2) such other information as HEAB may require by rule to verify the eligibility of the physician or psychiatrist for financial assistance.

Under the bill, any amount of financial assistance received under the grant program by a physician or psychiatrist is exempt from taxation.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

BILL

SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

2013-14 2014-15

20.235 Higher educational aids board**(1) STUDENT SUPPORT ACTIVITIES**

(fp) Primary care and psychiatry

shortage grant program

GPR C

-0-

1,500,000

2,000,000

SECTION 2. 20.235 (1) (fp) of the statutes is created to read:

20.235 (1) (fp) *Primary care and psychiatry shortage grant program*. As a continuing appropriation, the amounts in the schedule for the primary care and psychiatry shortage grant program under s. 39.385.

SECTION 3. 39.385 of the statutes is created to read:

39.385 Primary care and psychiatry shortage grant program. (1)

DEFINITIONS. In this section:

(a) "Graduate medical education training program" means any of the following:

1. A program of education in a medical speciality following the completion of medical school that prepares a physician for the independent practice of medicine in that speciality.

2. A program of education in a medical subspeciality following the completion of education in a medical speciality that prepares a physician for the independent practice of medicine in that subspeciality.

(b) "Grant program" means the primary care and psychiatry shortage grant program under this section.

No monies may be encumbered from this appropriation after June 30, 2017.

BILL**SECTION 3**

1 (c) "Health professional shortage area" has the meaning given in s. 36.60 (1)
2 (aj).

3 (d) "Health service shortage area" means an area designated by the governor
4 and certified by the federal secretary of health and human services under 42 USC
5 1395x as an area with a shortage of personal health services.

6 (e) "Medically underserved area" has the meaning given in 42 CFR Part 51c,
7 section 102 (e).

8 (f) "Primary care medicine" means any of the following medical specialties:

- 9 1. Family practice.
- 10 2. Internal medicine.
- 11 3. Pediatrics.
- 12 4. General surgery.

13 (g) "Psychiatry" includes child psychiatry.

14 (h) "Underserved area" means a health professional shortage area, a health
15 service shortage area, or a medically underserved area.

16 (2) ESTABLISHMENT OF PROGRAM. There is established, to be administered by the
17 board, a primary care and psychiatry shortage grant program to encourage primary
18 care physicians and psychiatrists who meet the eligibility requirements specified in
19 sub. (3) to practice primary care medicine and psychiatry in underserved areas in
20 this state by providing grants of financial assistance to those physicians and
21 psychiatrists as provided in sub. (4).

22 (3) ELIGIBILITY. A physician or psychiatrist is eligible for financial assistance
23 as provided under sub. (4) if the physician or psychiatrist meets all of the following
24 requirements:

BILL

1 (a) He or she practices primary care medicine or psychiatry in an underserved
2 area in this state.

3 (b) He or she graduated from a school of medicine located in this state and from
4 a graduate medical education training program in this state with an emphasis on
5 primary care medicine or psychiatry.

6 (c) He or she does not appear on the statewide support lien docket under s.
7 49.854 (2) (b), unless the physician provides to the board a payment agreement that
8 has been approved by the county child support agency under s. 59.53 (5) and that is
9 consistent with rules promulgated under s. 49.858 (2) (a).

10 (4) FINANCIAL ASSISTANCE. (a) 1. From the appropriation account under s.
11 20.235 (1) (fp), the board shall grant financial assistance to physicians and
12 psychiatrists who meet the eligibility requirements specified in sub. (3), who apply
13 for participation in the grant program as provided in par. (b), and who submit claims
14 for that financial assistance as provided in par. (c). From s. 20.235 (1) (fp), the board
15 shall allocate not more than ~~\$1,000,000 in each fiscal year~~ ^{4750,000 ✓} for financial assistance
16 under the grant program to physicians and not more than ~~\$1,000,000 in each fiscal~~
17 ~~year~~ ^{4750,000 ✓} for financial assistance under the grant program to psychiatrists.

18 2. The board may grant financial assistance under the grant program to no
19 more than ^{(12) ✓} ~~17~~ physicians and no more than ^{(12) ✓} ~~17~~ psychiatrists in a fiscal year. If more
20 than ^{(12) ✓} ~~17~~ physicians or more than ^{(12) ✓} ~~17~~ psychiatrists apply for participation in the grant
21 program in a fiscal year, the board shall consider the order in which those
22 applications are received and the health professional shortage area score, as
23 determined by the health resources and services administration of the federal
24 department of health and human services, of the underserved area in which the

BILL**SECTION 3**

1 applicant is practicing primary care medicine or psychiatry in selecting participants
2 in the grant program.

3 3. An individual physician or psychiatrist may receive financial assistance
4 under the grant program in no more than 3 fiscal years.

5 (b) A physician or psychiatrist may apply for participation in the grant program
6 by submitting an application to the board in a form prescribed by the board. A
7 physician or psychiatrist may submit that application while the physician or
8 psychiatrist is participating in a graduate medical education training program
9 described in sub. (3) (b), but must submit that application before accepting
10 employment or any other affiliation as a primary care physician or psychiatrist in
11 an underserved area in this state. The application shall include such information
12 as the board may require to establish that the physician or psychiatrist meets the
13 eligibility requirements specified in sub. (3) for participation in the grant program
14 and any other information the board may require by rule promulgated under sub. (5).

15 (c) After each year in which a physician or psychiatrist who has been accepted
16 for participation in the grant program practices primary care medicine or psychiatry
17 in an underserved area in this state, the physician or psychiatrist may submit to the
18 board a claim for financial assistance. The claim shall include the signature of the
19 physician or psychiatrist and of a representative of the practice in which the
20 physician or psychiatrist is employed or otherwise affiliated certifying that during
21 the period for which financial assistance is claimed the physician or psychiatrist
22 practiced primary care medicine or psychiatry in an underserved area in this state
23 and such other information as the board may require by rule promulgated under sub.
24 (5) to verify the physician's or psychiatrist's eligibility for tuition assistance.

BILL

1 (d) If the board determines that a physician or psychiatrist who submits a claim
2 for financial assistance under par. (c) is eligible to receive that assistance, the board
3 shall provide that assistance, subject to the amounts available in the appropriation
4 account under s. 20.235 (1) (fp).

5 (5) RULES. The board shall promulgate rules to implement and administer this
6 section. Those rules shall include rules specifying the information a physician or
7 psychiatrist must include in an application for participation in the grant program
8 under sub. (4) (b) and in a claim for financial assistance under sub (4) (c).

9 **SECTION 4.** 71.05 (6) (b) 51. of the statutes is created to read:

10 71.05 (6) (b) 51. For taxable years beginning after December 31, 2013, any
11 amount received by a physician or psychiatrist, in the taxable year to which the
12 subtraction relates, from the primary care and psychiatry shortage grant program
13 under s. 39.385.

14 **SECTION 5. Initial applicability.**

15 (1) PRIMARY CARE ~~PHYSICIAN TUITION ASSISTANCE~~ PROGRAM. This act first applies
16 to a physician or psychiatrist who graduates from a graduate medical education
17 training program in this state with an emphasis on primary care medicine or
18 psychiatry in 2014.

19 (END)

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3228/2ins
GMM.....

(INSERT 7-13)

SECTION 1. Nonstatutory provisions.

(1) PRIMARY CARE AND PSYCHIATRY SHORTAGE GRANT PROGRAM. Notwithstanding section 16.42 (1) (e) of the statutes, in submitting information under section 16.42 of the statutes for purposes of the 2015-17 biennial budget bill, the higher educational aids board shall submit information concerning the appropriation under section 20.235 (1) (fp) of the statutes, as created by this act, as though that appropriation had not been made.

(END OF INSERT)